

JOINT LEGISLATIVE OVERSIGHT COMMITTEE



Purchase of Private Insurance

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Scope

Session Law 2013-360 Section 12H.12 required the Department of Health and Human Services to:

“...study the opportunities for savings in overall State funding by purchasing health insurance for persons who are currently served by programs administered by the Department. The Department shall look broadly at all of its programs, including, but not limited to, Medicaid, AIDS Drug Assistance, and disability programs, for instances where purchasing private insurance for an individual may be less costly for the State than the current program serving the individual. The Department shall report on its findings to the Joint Legislative Oversight Committee on Health and Human Services no later than April 1, 2014.”



Approach/Methodology

- **The Department surveyed Divisions to determine by service or activity:**
 - (1) if purchasing insurance is an option but would not create savings due to such barriers as federal, other statutory citations, or other factors;
 - (2) if purchasing insurance is an option that could potentially provide savings;
 - (3) if so, what are the required implementation steps; and/or
 - (4) what is the assessment of potential savings.



HIV/AIDS Drug Assistance Program (ADAP)

- **Previous pilot effort**
 - **Pre-Existing Condition Insurance Program (PCIP) coverage through the NC High Risk Pool**
 - **Cost savings of 20-24% had been anticipated**
 - **Federal funding shortfall terminated pilot early; therefore final savings unclear**



Medicaid

- **Options**
 - **Premium Assistance**
 - Arkansas
 - Iowa
 - Michigan
 - **Medicaid still required to pay for any wraparound services not provided by private insurance coverage**